

Agricultural Marketing Service, USDA

§ 1002.73

day of each month, the uniform price for the preceding month pursuant to § 1002.61 applicable at the 201-210 mile zone and at the 1-10 mile zone pursuant to § 1002.82.

[56 FR 5329, Feb. 11, 1991]

PRODUCER SETTLEMENT FUND AND ITS
OPERATION

§ 1002.70 Producer settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer settlement fund" into which he shall deposit all payments and out of which he shall make all payments pursuant to §§ 1002.72 through 1002.77. All amounts subtracted under § 1002.61(d), inclusive of interest earned thereon, shall remain therein as an obligated balance until it is withdrawn for the purpose of effectuating § 1002.61(e).

[56 FR 5329, Feb. 11, 1991]

§ 1002.71 Handler's accounts.

The market administrator shall establish an account for each handler who is required to make payments to the producer settlement fund or who received payments from the producer settlement fund. After computing the uniform price and each handler's pool debit or credit each month, and at such times as he deems appropriate, the market administrator shall render each handler a statement of his account showing the debit or credit balance, together with all debits or credits entered on such handler's account since the previous statement was rendered: *Provided*, That the handler operating a pool plant receiving milk from a partial pool plant or partial pool unit without producers as defined in § 1002.6, or from a partial pool plant in the 401 miles or over freight zone, shall be responsible for the debit or credit arising on milk so received and for the payment of the administration assessment pursuant to § 1002.85 on such milk.

[33 FR 8201, June 1, 1968. Redesignated and amended at 56 FR 5329, Feb. 11, 1991]

§ 1002.72 Payments to the producer-settlement fund.

On or before the 16th day of each month each handler shall make full payment to the market administrator of the debit balance, if any, of such handler shown on the last statement of account rendered pursuant to § 1002.71. Payments to the market administrator shall be deemed not to have been made until such payments have been received by the market administrator. If the date by which such payments must be received by the market administrator falls on a Saturday or Sunday or a national holiday, such payments shall not be due until the next day that the market administrator's office is open for public business.

[42 FR 11823, Mar. 1, 1977, as amended at 55 FR 3200, Jan. 31, 1990. Redesignated and amended at 56 FR 5329, Feb. 11, 1991]

§ 1002.73 Payments out of producer-settlement fund.

(a) On or before the 17th day of each month the market administrator shall make payment to each handler of the credit balance, if any, of such handler shown on the last statement of account rendered pursuant to § 1002.71. If the date by which such payments are to be made falls on Saturday or Sunday or a national holiday, such payments need not be made until the next day that the market administrator's office is open for public business. If payments to the producer-settlement fund under § 1002.72 were delayed because the due date fell on a Saturday or Sunday or a national holiday, payments under this paragraph may be delayed by the same number of days.

(b) If the balance in the producer-settlement fund is insufficient to make full payment required under paragraph (a) of this section, the market administrator shall reduce uniformly the payments to each handler and shall complete such payments as soon as the necessary funds are available. No handler who, on the 20th day of the month, has not received such payments in full from the market administrator shall be deemed to be in violation of §§ 1002.80 through 1002.82 if he reduces his total

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payments to producers for milk delivered by such producers during the preceding month by not more than the amount of the reduction in payment from the producer-settlement fund.

[42 FR 11823, Mar. 1, 1977, as amended at 55 FR 3200, Jan. 31, 1990; 56 FR 5329, Feb. 11, 1991]

§ 1002.74 Handler's pool debit or credit.

After computing the uniform price for each month, the market administrator shall compute each handler's pool debit or credit as follows:

(a) Add the contents computed as follows:

(1) Multiply the quantity of pool milk received by each handler from dairy farmers by the uniform price;

(2) Multiply the quantity of pool milk received by the handler at a pool plant or partial pool plant directly from farms that was not put into a tank truck prior to delivery by a rate per hundredweight that is equal to the rate specified in § 1002.55;

(3) Multiply the quantity of concentrated fluid milk products for which a payment obligation is computed pursuant to § 1002.60(d)(4) by the uniform price.

(b) If the result obtained in paragraph (a) of this section is less than the handler's net pool obligation, the difference shall be entered on the handler's producer settlement fund account as such handler's pool debit.

(c) If the result obtained in paragraph (a) of this section is greater than the handler's net pool obligation, the difference shall be entered on the handler's producer settlement fund account as such handler's pool credit.

[33 FR 8201, June 1, 1968, as amended at 42 FR 52381, Sept. 30, 1977. Redesignated at 56 FR 5329, Feb. 11, 1991, and amended at 58 FR 27780, May 11, 1993]

§ 1002.75 Adjustments of errors in payments.

Whenever verification by the market administrator of reports or payments of any handler discloses errors made in payments to or from the producer settlement fund, the market administrator shall debit the handler's producer settlement fund account for any unpaid amount. Whenever verification

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discloses that payment is due from the market administrator to any handler, the market administrator shall credit the handler's producer settlement fund account for any such amount.

[33 FR 8201, June 1, 1968. Redesignated at 56 FR 5329, Feb. 11, 1991]

§ 1002.76 Charges on overdue accounts.

Any unpaid obligation of a handler pursuant to §§ 1002.72 and 1002.85 shall be increased 1 percent on the first day after the due date of such obligation and on the same day of each succeeding month until such obligation is paid.

[42 FR 52381, Sept. 30, 1977. Redesignated and amended at 56 FR 5329, Feb. 11, 1991]

§ 1002.77 Cooperative payments for marketwide services.

Payments shall be made to qualified cooperatives or to federations under the conditions, in the manner, and at the rates set forth in this section.

(a) *Definitions.* As used in this section the following terms shall have the following meanings:

(1) *Cooperative* means a cooperative association of producers which is duly incorporated under the cooperative corporation laws of a state; is qualified under the Capper-Volstead Act (7 U.S.C. 291 *et seq.*); has all its activities under the control of its members; and has full authority in the sale of its members' milk.

(2) *Federation* means a federation of cooperatives which is duly incorporated under the laws of a State.

(3) *Federated cooperatives* means a cooperative which is a member of a federation and on whose membership the federation is an applicant for or receives payments under paragraph (f)(2) of this section.

(4) *Affiliated cooperatives* means a cooperative upon whose entire membership another cooperative, by mutual consent, is an applicant for or receives payments under paragraph (f)(2) of this section.

(5) *Member producer* means, when used with respect to a cooperative or federation which is an applicant for or is receiving payments, is a producer as defined in § 1002.6 who has met the following conditions: